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Via electronic mail: Council@des.wa.gov

Washington State Building Code Council
1500 Jefferson St. S.E.
Olympia, WA 98501

October 14, 2022

RE: Proposed Building Codes

NW Natural appreciates the opportunity to provide comments on the Washington State Building Code Council's proposed building codes. NW Natural supports the goals of increasing energy efficiency and reducing greenhouse gas emissions, but believes it is critically important to do so while preserving housing affordability and equitable access to energy.

NW Natural is committed to helping Washington transition to a low-carbon, renewable-energy future while ensuring energy dependability for more than 770,000 customers across the Pacific Northwest. Already, we are ahead of the target we established in 2016 to meet our 30 percent carbon savings goal by 2035, based on 2015 emissions associated with our operations and the use of our product by customers.¹ We also have established "Destination Zero", which lays out our pathway to achieve a carbon-neutral future by 2050.²

NW Natural is concerned that the Proposed Codes will negatively impact homeowners and renters in the state of Washington by increasing home energy appliance costs, housing costs, and electricity costs. Additionally, allowing for a technology-neutral approach to emission reductions helps ensure energy reliability, especially in light of the anticipated strain the ramp-up of electric vehicle use under SB 5974 will put on the electric grid. In order to support housing affordability, energy equity, and energy dependability, NW Natural offers the following suggested edits to the Proposed Codes.

- Proposal 21-GP2-063 – To remain consistent with nationwide and international standards, maintain the previous table for minimum kitchen exhaust rates and delete the exhaust rates proposed in IMC – Table R403.4.7.3 and IRC – Table M1505.4.4.3.
- Proposal 21-GP2-065 – For consistency, add an exemption under R403.13 for gas or propane furnaces or gas or propane boilers from Table 406.3, Energy Credits. This aligns with Table R406.3, Option 1 and 2, which both provide credits for high-efficiency gas furnaces and boilers.

¹ NW Natural Holdings, *2020 Environmental, Social and Governance (ESG) Report*, 18 (Aug. 2, 2021), available for download at <https://www.nwnatural.com/about-us/the-company/sustainability>.

² *Id.* at 24.

- Proposal 21-GP2-066 – For consistency, add an exemption under R403.5.7 for gas or propane water heaters from Table 406.3, Energy Credits. This aligns with Table R406.3, Option 1, provides credits for high-efficiency gas water heaters.
- Proposal 21-GP2-067 – To advance energy efficiency, appliance affordability, and energy reliability, amend Table R406.3 to include energy credits for gas-fired heat pumps.
- Proposal 21-GP2-069 – To advance energy efficiency, appliance affordability, and energy reliability, amend Table R406.3 to include energy credits for gas-fired heat pumps.

The supporting rationale and specific language for each of the proposed edits to the Proposed Codes are attached.

Additionally, NW Natural urges the Council to amend the emission factor for gas to be 10.53 lb CO₂e/therm in Table R405.2(2), which reflects the greenhouse gas emission reductions that will occur in the gas sector as a result of the Climate Commitment Act. NW Natural is actively planning to reduce the emissions attributed to its gas system under the Act. For example, NW Natural already has committed to invest up to \$38 million in four separate RNG development projects in an agreement with Tyson Foods Inc. Thus, the Proposed Codes should account for gas-sector emission reductions driven by the Climate Commitment Act, just as it already recognizes the emission reductions that the Clean Energy Transformation Act will spur in the electricity sector.

Finally, because the Proposed Codes directly impact Washington residents, it is essential that the costs and benefits of the Proposed Codes are fully analyzed and made publicly available before the codes are finalized. Accordingly, the Council should contract with an independent, third-party entity to perform an economic analysis of the Proposed Code, consistent with RCW 19.27.074(3)(b), and make a final cost-benefit analysis available when the rule is adopted, consistent with RCW 34.05.328. Failure to conduct these economic analyses would contradict the Council's statutory duty to transparently account for the Proposed Code's costs and benefits.

NW Natural appreciates the opportunity to raise these points and welcomes continued engagement with the Council. Should you have any questions, please reach out to me at mardilyn.saathoff@nwnatural.com.

Sincerely,



MardiLyn Saathoff
Senior Vice President, Regulation and General Counsel
NW Natural